

**MIAMI-DADE TRANSIT  
DISADVANTAGED BUSINESS ENTERPRISE GOAL METHODOLOGY FOR  
FISCAL YEAR 2010**

**SUMMARY**

Please be advised that pursuant to §26.45 of the 49 Code of Federal Regulations (CFR), Miami-Dade Transit submits this methodology to the Federal Transit Administration (FTA) for review and approval of its overall Disadvantaged Business Enterprises (DBE) goal for fiscal year 2010. As a Federal recipient, MDT is required to set an overall goal that would reflect its determination of the level of participation that this transit agency would expect absent the effects and vestiges of discrimination. Accordingly, MDT has established a proposed overall goal of 21.4%, which includes an adjustment for race neutral measures.

**DETERMINATION OF NORMAL MARKET AREA**

The implementation of the Unified Certification Program (UCP) has had the unanticipated effect of underestimating the DBE availability in Miami-Dade County, by reasons of the small number of certified DBE firms within Miami-Dade County compared to the statewide DBE directory. As a result, MDT would be unable to rely on actual DBE certification within Miami-Dade County, only. That is so because the result would underestimate the true DBE availability within MDT's Normal Market Area (NMA). The elements that form the basis for a Normal Market Area are defined as an area, or combination of areas where at least 70/75% of all historical contract dollars for similar projects, as well as DBE contractors/subcontractors, and non-DBE contractors/subcontractors are located. Historically, most of the firms that transact business with Miami-Dade Transit are located in the tri-county area, namely, Palm Beach, Broward and Miami-Dade County. Consistently, the use of data that include the tri-county area would yield a goal that is rationally related to the relative availability of DBE firms within our Normal Market Area.

The overall goal was derived by following methodologies prescribed in 49 CFR Part 26.45, which requires that FTA recipients utilize a two-step process in the development of its DBE goal, and using the most refined available data.

The following is a summary of the method MDT used to calculate this goal.

**STEP ONE: ESTABLISHMENT OF AVAILABILITY ESTIMATE FOR A BASE GOAL**

Pursuant to 49 CFR Part 26.45(c) (4), MDT elects to use the goal of another DOT recipient, Broward County Mass Transit (BCT) to determine step one of its methodology calculation formula. MDT and BCT share the same or substantially the same contractors and subcontractors for construction-related and professional services, and still other

commodities. Broward County and Miami-Dade County are both members of the State of Florida Uniform Certification Program, and provide business opportunities to the same vendors statewide and locally. The counties economies are so interlinked and the utilization of vendors so interrelated that most vendors are certified in both counties in local minority programs other than the Disadvantaged Business Enterprises (DBE) Program.

Broward County Mass Transit has set an overall goal in compliance with §26.45 for fiscal year 2010 at 21.8%; therefore the base figure for MDT is 21.8%. **BASE GOAL = 21.8%.**

## **STEP TWO: ADJUSTMENT OF BASE GOAL**

In order to adjust the base goal of 21.8%, MDT considered the current capacity of DBE's to perform work in FTA-assisted projects, as measured by the volume of work DBE firms has performed in recent years. Specifically, MDT considered the actual DBE accomplishment for the previous five fiscal years (FY 2004 through FY 2008), for completed projects, as shown below:

### **A. PAST DBE PARTICIPATION**

FISCAL YEAR	TOTAL CONTRACTS	DBE	TOTAL FTA-ASSISTED CONTRACTS	ACTUAL DBE PARTICIPATION
2004	\$10,950,923		\$58,480,128	18%
2005	\$5,657,302		\$25,241,313	22%
2006	\$12,473,403		\$34,089,935	35%
2007	\$6,161,950		\$27,656,392	22%
2008	\$3,380,115		\$17,504,473	19%
<b>ACTUAL MEDIAN PARTICIPATION</b>				<b>21%</b>

### **B. ARRIVING AT THE MEDIAN PAST PARTICIPATION:**

MDT arrived at the Median Participation by arranging the percentages of past participation detailed above from low to high, as follows: 18%, 22%, 35%, 22%, 19%, and excluding all outliers such as 18% and 35%, while 22%, 22% and 19% are averaged as follows:  $(22 + 22 + 19)/3 = 21\%$ . Accordingly, the median participation for the previous five fiscal years is Twenty One (21%) percent.

### **C. ADJUSTING STEP ONE BASE GOAL:**

MDT added the Step One base figure of 21.8% to the median participation of 21% and divided the sum by two (2), to reach the overall goal as follows:  $(21.8 + 21)/2 = 21.4\%$ .

Accordingly, MDT's overall goal for fiscal year 2010 is that **21.4%** of the federal financial assistance received by MDT for federally funded projects will be expended with DBE firms.

#### **RACE NEUTRAL-PROJECTION**

In an effort to increase accuracy and avoid overestimating the past race-neutral participation, MDT's race neutral percentage consists of only prime and subcontracts awarded to DBE firms through customary competitive processes that are based only on qualifications, and without contract specific goals. As a result, the most refined and reliable data used in our projected race-neutral percentage for fiscal year 2010 originates from DBE participation during fiscal years 2007, 2008, and the partial data that are now available for Fiscal year 2009.

#### **PAST RACE-NEUTRAL PARTICIPATION**

FISCAL YEAR	TOTAL DOLLARS	RACE-NEUTRAL TOTAL EXPENDITURES	ACTUAL PAST RACE-NEUTRAL PARTICIPATION
2007	\$297,843	\$16,228,046	1.8%
2008	\$22,689	\$13,646,420	.16%
2009	\$137,438	\$6,794,964	2.0%

The overall goal for FY 2010 is segmented into race-conscious, race-neutral components by taking the median participation of the most recent past performances. Considering that the 2007 race neutral participation was a nominal 1.8%, the 2008 race neutral participation was .16%, and the 2009 mid-year participation is 2.0%, MDT proposes to set its race-neutral participation for one (1%) percent. MDT will continue to monitor the race-neutral participation, and may adjust this component of the overall goal, if necessary; when the final methodology is submitted after the 45-day public comment period.

In light of the low projected race-neutral percentage, and consistent with MDT's continued effort to meet the maximum feasible portion of the overall goal by using race-neutral measures of facilitating DBE participation, MDT will continue to engage in aggressive outreach efforts, such as providing technical assistance, capital bonding assistance, and business development programs to DBE firms and other disadvantaged small firms. Among other means, MDT encourages prime contractors to disseminate subcontract information to all its vendors, and to provide DBE firms advance copies of all plans, drawing and specifications that will assist these firms in submitting a bid. Additionally, all MDT solicitations shall be structured in such a manner as to facilitate participation by all small minority businesses, by inclusion of known DBE firms on our

mailing lists of bidders, and providing access and information to the UCP directory listing to those present at pre-bid conferences, as well as on MDT's websites.

## **PROCESS AND PUBLICATION**

MDT recognizes the importance of public participation in the establishment of the DBE goal, and accordingly shall post a notice of the proposed overall DBE goal informing the public that the goal and its rationale is available for review and inspection during normal business hours at MDT's Office of Civil Rights and Labor Relations. The overall goal will be published each year, and is available for 30-days following the date of the notice. The public shall be informed that USDOT will accept comments on the goals for 45 days from the date of the notice. The same information will be available on the county's website, local area general publication, and requesting comments and suggestions. MDT maintains a relationship and consults with local chambers of commerce, local minority and general contractor groups to obtain input, comments, advice, suggestions and feedback on the effect of discrimination on opportunities for DBE firms.